

**ASSEMBLY BILL**

**No. 1507**

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**Introduced by Assembly Member Block  
(Coauthor: Assembly Member Chesbro)**

February 27, 2009

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An act to amend Sections 42101.1, 42101.3, 42102, 42103, and 42106 of, to repeal Sections 42101.2, 42105, and 42107 of, and to repeal and add Section 42101 of, the Public Resources Code, relating to hazardous materials.

LEGISLATIVE COUNSEL'S DIGEST

AB 1507, as introduced, Block. Hazardous materials: metal plating facilities.

Existing law establishes, until January 1, 2012, a loan guarantee program, developed and administered by the Business, Transportation and Housing Agency, to assist chrome plating facilities to purchase high performance environmental control equipment or technologies. Existing law establishes in the State Treasury the Chrome Plating Pollution Prevention Fund to receive deposits of state, federal, and local governmental money, and other public or private money, for expenditure by the agency, upon appropriation by the Legislature, to make loan guarantees available to eligible metal plating facilities.

This bill would revise and recast the program to instead establish the Chrome Plating and Metal Finishing Pollution Prevention Grant Program to be administered by the Department of Toxic Substances Control. The department would be authorized to expend, upon appropriation by the Legislature, money in the fund to make grants to chrome metal plating facilities to be used for pollution prevention improvements. The bill would also make conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 42101 of the Public Resources Code is  
2 repealed.
- 3 ~~42101. (a) The agency shall work with the department, the air~~  
4 ~~board, and the water board to develop a loan guarantee program,~~  
5 ~~through its existing relationship with the Financial Development~~  
6 ~~Corporations (FDCs) located throughout the state, to assist metal~~  
7 ~~plating facilities in purchasing high performance environmental~~  
8 ~~control equipment or technologies that will enable that facility to~~  
9 ~~meet new or exceed existing regulatory requirements, or both, and~~  
10 ~~implement additional pollution prevention opportunities.~~
- 11 ~~(b) In establishing the loan guarantee program pursuant to~~  
12 ~~subdivision (a), the agency shall make every effort to integrate~~  
13 ~~and leverage existing financing mechanisms for this new program,~~  
14 ~~including the Treasurer's California Pollution Control Financing~~  
15 ~~Authority California Capital Access Program (CalCAP), and the~~  
16 ~~California Infrastructure and Economic Development Bank's~~  
17 ~~(I-Bank) Revenue Bond program.~~
- 18 SEC. 2. Section 42101 is added to the Public Resources Code,  
19 to read:
- 20 42101. There is hereby created in the department the Chrome  
21 Plating and Metal Finishing Pollution Prevention Grant Program.
- 22 SEC. 3. Section 42101.1 of the Public Resources Code is  
23 amended to read:
- 24 42101.1. ~~The agency~~ *department* shall only make ~~loan~~  
25 ~~guarantees~~ *grants* available to applicants that meet all of the  
26 following eligibility requirements:
- 27 (a) The applicant is a small business, as defined in subdivision  
28 (d) of Section 14837 of the Government Code.
- 29 (b) The applicant owns or operates a metal plating facility.
- 30 (c) The applicant satisfies one of the following conditions:
- 31 (1) Has completed or is currently participating in the Model  
32 Shop Program for metal platers.
- 33 (2) Has completed or is currently participating in the National  
34 Metal Finishing Strategic Goals Program.

1 (3) Is participating in a green business program whose goals  
2 are consistent with the pollution prevention and natural resource  
3 conservation elements of the Model Shop Program.

4 (4) Is certified as a green business whose goals are consistent  
5 with the pollution prevention and natural resource conservation  
6 elements of the Model Shop Program.

7 ~~(d) Funds are not obtainable, upon reasonable terms, from~~  
8 ~~financial companies, without a loan guarantee.~~

9 (e)

10 (d) The applicant demonstrates that *moneys obtained pursuant*  
11 *to this section will be used for pollution prevention improvement*  
12 *that will allow the facility meets new to meet or exceeds exceed*  
13 *existing regulatory requirements, or both, has and that the facility*  
14 *has no pending local, state, or federal enforcement or correction*  
15 *actions, and is participating in or has completed additional pollution*  
16 *prevention activities.*

17 SEC. 4. Section 42101.2 of the Public Resources Code is  
18 repealed.

19 ~~42101.2. (a) The maximum amount the agency may guarantee~~  
20 ~~for one applicant is one hundred thousand dollars (\$100,000).~~

21 ~~(b) All other terms and conditions are defined pursuant to Article~~  
22 ~~9 (commencing with Section 14070) of Chapter 1 of Part 5 of the~~  
23 ~~Corporations Code.~~

24 SEC. 5. Section 42101.3 of the Public Resources Code is  
25 amended to read:

26 42101.3. The ~~agency department~~ shall carry out all of the  
27 requirements of this chapter and shall consult with the California  
28 Environmental Protection Agency, local environmental regulatory  
29 agencies, and other interested parties, as needed.

30 SEC. 6. Section 42102 of the Public Resources Code is  
31 amended to read:

32 42102. There is hereby created, in the State Treasury, the  
33 Chrome Plating Pollution Prevention Fund, for the sole purpose  
34 of receiving deposits of state, federal, or local government money,  
35 and other public or private money, for expenditure, upon  
36 appropriation by the Legislature, by the ~~Business, Transportation~~  
37 ~~and Housing Agency.~~ *Department of Toxic Substances Control.*

38 SEC. 7. Section 42103 of the Public Resources Code is  
39 amended to read:

1     42103. ~~The agency, department,~~ in collaboration with the air  
2 board; ~~and water board, the department, and the FDCs,~~ shall  
3 prepare and adopt criteria and procedures for evaluating  
4 applications for ~~loan guarantees~~ *grants* awarded pursuant to this  
5 chapter, as well as establish the appropriate requirements to  
6 determine that the equipment proposed to be purchased assists the  
7 small business in meeting new or exceeding existing applicable  
8 environmental standards. In developing these criteria, ~~the agency~~  
9 *department* shall specifically consider proximity of the facility to  
10 sensitive receptors and residences and coordinate with existing  
11 enforcement activities.

12     SEC. 8. Section 42105 of the Public Resources Code is  
13 repealed.

14     ~~42105. On or before January 1, 2007, and every odd-numbered~~  
15 ~~year thereafter, the agency shall prepare a report concerning the~~  
16 ~~performance of the loan guarantee program established by this~~  
17 ~~chapter, including the number and size of loan guarantees made,~~  
18 ~~statewide distribution of applicants, level of participation and~~  
19 ~~performance of each of the FDCs, characteristics of recipients,~~  
20 ~~and the amount of money spent on administering the program.~~  
21 This report shall be posted on the agency's Internet Web site and  
22 notification provided to the appropriate fiscal and policy  
23 committees of the Legislature, and, upon request, to individual  
24 Members of the Legislature. The department shall provide, as a  
25 supplement to this report, an evaluation of the Model Shop Program  
26 , including recommendations for its improvement and expansion,  
27 as well as coordination with existing enforcement activities.

28     SEC. 9. Section 42106 of the Public Resources Code is  
29 amended to read:

30     42106. (a) ~~The agency department,~~ in consultation with the  
31 air board; ~~and water board and the department,~~ may adopt  
32 regulations to implement this chapter. The ~~agency department~~ may  
33 adopt emergency regulations to implement the ~~loan guarantee~~  
34 *grant* program in accordance with Chapter 3.5 (commencing with  
35 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
36 Code, and for the purposes of that chapter, including Section  
37 11346.1 of the Government Code, the adoption of these regulations  
38 is an emergency and shall be considered by the Office of  
39 Administrative Law as necessary for the immediate preservation  
40 of the public peace, health, and safety, and general welfare.

1 Notwithstanding Chapter 3.5 (commencing with Section 11340)  
2 of Part 1 of Division 3 of Title 2 of the Government Code, an  
3 emergency regulation adopted by the board pursuant to this section  
4 shall be filed with, but not repealed by, the Office of Administrative  
5 Law, and shall remain in effect until revised by the ~~agency~~  
6 *department*.

7 *(b) Regulations adopted by the agency pursuant to this section*  
8 *that are in effect on or before January 1, 2010, shall remain in*  
9 *effect until revised by the department.*

10 SEC. 10. Section 42107 of the Public Resources Code is  
11 repealed.

12 ~~42107. (a) This chapter shall remain in effect only until January~~  
13 ~~1, 2012, and as of that date is repealed, unless a later enacted~~  
14 ~~statute, which is enacted before January 1, 2012, deletes or extends~~  
15 ~~that date.~~

16 ~~(b) All unencumbered moneys in the Chrome Plating Pollution~~  
17 ~~Prevention Fund on January 1, 2012, shall be transferred to the~~  
18 ~~General Fund.~~

19 ~~(c) The repeal of this chapter does not terminate any of the~~  
20 ~~following rights, obligations, or authorities, or any provision~~  
21 ~~necessary to carry out these rights, obligations, and authorities:~~

22 ~~(1) The repayment of loans, outstanding as of January 1, 2012,~~  
23 ~~due and payable to the relevant financial company.~~

24 ~~(2) The resolution of any cost recovery action.~~